J1

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/767,031	01/22/2001	Donald Edward Johnson	2930.1000-001	3319

21005 7590 11/23/2005

HAMILTON, BROOK, SMITH & REYNOLDS, P.C.
530 VIRGINIA ROAD
P.O. BOX 9133
CONCORD, MA 01742-9133

EXAMINER	
HARBECK, TIMOTHY M	
ART UNIT	**PAPER NUMBER**
3628	

DATE MAILED: 11/23/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

Office Action Summary	Application No.	Applicant(s)
	09/767,031	JOHNSON ET AL.
	Examiner	Art Unit
	Timothy M. Harbeck	3628

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *21 March 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-40* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-40* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *22 January 2001* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-5 and 7-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Keating ("The New Business of Giving." Peter Keating, Beverly Goodman. Money. New York: 1998. Vol.27, Iss. 13; pg 92, 3 pgs) in view of Charitable Gift Fund (**hereinafter CGF**, "Charitable Gift Fund: Resource Center- Securities Donation Tool," http://web.archive.org/web/20000229084733/www301.charitablegift.org/resource/calculator/index.shtml).

Re Claim 1: Keating discloses a method for providing gifts including transfers of assets from a donor to a receiving entity comprising the steps of:

- Compiling donor investment portfolio data from each brokerage account associated with a subject donor investment portfolio
- Analyzing the subject donor investment portfolio and identifying assets representing tax efficient gift transfers from a donor to a receiving entity (See Abstract; "integrating donations with **financial planning, helping them with their tax write offs and coaching them in estate reduction**.)

Keating does not explicitly disclose the steps of:

- (i) Calculating and displaying unrealized gain of each asset in the donor investment portfolio and (ii) for each asset in the subject donor investment portfolio, calculating and displaying estimated tax savings achievable by transferring the asset as a gift from the subject donor investment portfolio to the receiving entity and;
- Enabling donor selection of specific assets from the subject donor investment portfolio for transferring as a gift to the receiving entity, and (ii) timing of transfer of each selected asset such that valuation of each donor selected asset is defined as a function of donor selected timing of transfer.

CGF is a screenshot, via the Wayback Machine, of Fidelity Investment's Charitable Gift Fund Resource Center that depicts a securities donation tool calculator that calculates and displays the potential tax benefit for a client of donating a particular security held in that client's portfolio.

Since the objective of a financial planner such as the one disclosed by Keating is to both analyze their client's current assets, and to look for opportunities that would enhance their future financial prospects, it would have been obvious to anyone skilled in the ordinary art at the time of invention to include the teachings of CGF to the disclosure of Keating to provide the financial planner with an additional tool to aid this objective. Furthermore, it was well known in the art at the time of invention for a person (or representative of that person) to donate to charity for the purposes of tax considerations and he would therefore seek out the best possible advantage (i.e. the particular security

to donate, and the timing considerations of said donations) for himself in the process (this is what financial planners are hired to do).

Finally, while Keating does not show his method to be computer implemented, it would have been obvious to one having ordinary skill in the art at the time the invention was made to do so, since it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Venner, 120 USPQ 192.

Re Claim 2: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing wherein the receiving entity is a non-profit organization, Keating does disclose wherein the receiving entity is a "charitable fund," which would be obvious to anyone skilled in the ordinary art at the time of invention to include non-profit organizations under this broad definition.

Re Claim 3: Keating in view of CGF discloses the claimed method supra and CGF further discloses wherein the non-profit organization is a donor advised organization (See the links to the left of the page "Donor Advised Fund").

Re Claims 4-5: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the steps of sorting and/or grouping of calculated or displayed data items, this practice was well known to anyone familiar with computerized spreadsheets such as Microsoft Excel. The advantages of these manipulations of data are obvious in that it allows the user to compare and contrast lines of data with respect to certain variables and thus providing a more complete view of the data as a whole.

Re Claim 7: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the step comprising electronically transferring cash to the receiving entity instead of assets from the subject donor investment portfolio if the donor selected assets in the subject donor investment portfolio provide an estimated tax savings that is below a predefined threshold, this step would have been obvious to someone skilled in the ordinary art at the time of invention because this is what a financial planner/advisor such as the one mentioned in Keating is trained and hired to do. A financial planner is interested in maximizing the financial benefit of his client and if it is in the best interest of said client to transfer cash instead of portfolio assets to the receiving entity than the financial planner would inherently do so.

Re Claim 8: Keating in view of CGF discloses the claimed method supra and as admitted by applicant on page 6 of the disclosure, it was well known in the art at the time of invention to repurchase a substantially similar asset immediately upon transferring the donor-selected asset to the receiving entity.

Re Claim 9: Keating in view of CGF discloses the claimed method supra and as admitted by applicant on page 6 of the disclosure, it was well known in the art at the time of invention to repurchase a substantially similar asset, and cross matching this repurchase with the sale of the donor selected asset would have been obvious to keep from spending down the value of the donor's investment portfolio.

Re Claim 10: Keating in view of CGF discloses the claimed methods supra and while not explicitly disclosing the steps wherein the subsequent transfer of the asset are completely computer automated by predefining parameters for the selection, transfer

and repurchase of assets, automatically selecting specific assets from the subject donor investment portfolio for transferring based upon the predefined parameters and electronically transferring the selected assets to the receiving entity, it was well known in the art at the time of invention to use automated means to complete a variety of financial transactions. Many online programs allow clients to make trades regarding securities and further allow them to set parameters with regards to these transactions (i.e. a stop or limit order) and follow these guidelines automatically for the client. In this way the client can be assured that desired transactions are carried out once certain thresholds are reached without having to constantly monitor the trading environment. Because these programs were so well known in the art and advantageous for a client in that they save time and effort with regards to transactions, it would have been obvious to use this system for transferring assets to donor selected charities.

Re Claim 11: Keating in view of CGF discloses the claimed method supra and as admitted by applicant on page 6 of the disclosure, it was well known in the art at the time of invention to repurchase a substantially similar asset immediately upon transferring the donor-selected asset to the receiving entity and further automating this process is well within the skill of someone in the ordinary art.

Re Claim 12: Keating in view of CGF discloses the claimed method supra and while not explicitly noting the parameters as a frequency of transfer value, an amount of transfer value, and asset allocation and an identification of charities to which to transfer assets, as was noted in the previous rejection of claim 10, many online programs allow clients to make trades regarding securities and further allow them to set parameters

with regards to these transactions (i.e. a stop or limit order) and follow these guidelines automatically for the client. In this way the client can be assured that desired transactions are carried out once certain thresholds are reached without having to constantly monitor the trading environment. The parameters can be anything related to the transaction and could include the aforementioned attributes. Furthermore Keating does note that the donor can personally identify the charity to which to transfer the assets (Pg 2, paragraph 4).

Re Claim 13: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the step wherein the subject donor investment portfolio is maintained through a qualified retirement plan, it is well known throughout the art that investment portfolio's are often maintained through qualified retirement plans (401k's, IRA's ect) and therefore would have been obvious to one of ordinary skill.

Re Claim 14: Keating discloses a method for transferring assets as gifts from a donor to a receiving entity, but does not explicitly disclose wherein these steps are computer implemented and the donor controls the price and timing at which the asset is given and the transaction is automatically initiated based upon these parameters. Finally Keating does not explicitly disclose the step of determining for the donor, tax efficiency of the desired transfer as of the donor predefined time, the tax efficiency being determined as a function of dollar value of the donor selected asset as of the donor predefined time of the desired transfer.

It was well known in the art at the time of invention to use automated means to complete a variety of financial transactions. Many online programs allow clients to

make trades regarding securities and further allow them to set parameters with regards to these transactions (such as price and time of transaction) and follow these guidelines automatically for the client. In this way the client can be assured that desired transactions are carried out once certain thresholds are reached without having to constantly monitor the trading environment. Because these programs were so well known in the art and advantageous for a client in that they save time and effort with regards to transactions, it would have been obvious to use this system for transferring assets to donor selected charities.

CGF is a screenshot, via the Wayback Machine, of Fidelity Investment's Charitable Gift Fund Resource Center that depicts a securities donation tool calculator that calculates and displays the potential tax benefit for a client of donating a particular security held in that client's portfolio. The calculation of the tax benefit is done in real time based upon the current market value of the shares to be transferred and is therefore a function of the dollar value of the asset as of the predefined time of the desired transfer.

Since the objective of a financial planner such as the one disclosed by Keating is to both analyze their client's current assets, and to look for opportunities that would enhance their future financial prospects, it would have been obvious to anyone skilled in the ordinary art at the time of invention to include the teachings of CGF to the disclosure of Keating to provide the financial planner with an additional tool to aid this objective. Furthermore, it was well known in the art at the time of invention for a person (or representative of that person) to donate to charity for the purposes of tax considerations

and he would therefore seek out the best possible advantage (i.e. the particular security to donate, and the timing considerations of said donations) for himself in the process (this is what financial planners are hired to do).

Re Claim 15: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the pricing and timing techniques of claim 15, these techniques are notoriously well known in the art and would have been obvious to anyone of ordinary skill seeking to set limits with regards to the transfer of a financial asset.

Re Claim 16: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the step of enabling the entity to immediately instruct the broker to sell the selected asset at substantially the same transfer timing price selected by the donor, this option is always available to the receiving entity. Once ownership is transferred to the entity, the new owner has the authority to do with the security what they please, including instructing the broker to sell the security immediately. Furthermore the receiving entity would be inclined to perform this step in order to liquidate the security into a medium (cash) in which the charity can garner some benefit.

Re Claim 17: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the step of creating a list of donor assets, monitoring said list and electronically notifying the donor when the asset price of one of the monitored assets reaches a predefined price, these steps again were well known in the art at the time of invention. The online financial transaction websites mentioned numerous times in previous claims allowed users to create a set of rules for each security (asset) in their

portfolio with regards to the sale of said securities. These rules included the automatic transfer of the asset once a certain threshold was reached, however a user could also set the rules to simply alert them once the parameters were met. The user could then reevaluate their position and either sell the security or continue to hold base upon their forecast of that asset. These techniques were also known before the advent of electronic financial transactions, as a personal broker would monitor and contact a client if certain rules are met. Because these steps were well known in the art and provide the customer with greater flexibility regarding the sale of an asset it would have been obvious to anyone of ordinary skill to implement these steps.

Re Claim 18: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing the step of instantly recording a tax deduction that the donor will receive for transferring the donor selected asset to the receiving entity including recording an exact price of the asset at the time the asset is transferred to the receiving entity, CGF has disclosed a calculator for determining the real time tax benefit and could easily be used to instantly record the tax deduction at the time of transfer. Furthermore this step of recording the deduction immediately is an accepted accounting practice used well before the implementation of computer based systems and would have been obvious to one of ordinary skill.

Re Claims 19-20: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing how the exact price of the asset is calculated, using the bid and ask price or the value of the last trade were well known methods for doing

so and would have been obvious to anyone of ordinary skill because they were excepted practices.

Re Claim 21: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing allowing the donor to specify the recommended time interval, or price at which the asset is to be sold by the receiving entity after the desired transfer is complete, this is a function of the typical donor advised as disclosed in CGF. These accounts are set up by the donor in order to give the donor greater authority with regards to his charitable donations. The donor can establish conditions upon which the transfer of assets occurs. One such scenario is defining the time and/or price at which the asset can be sold, even after the transaction has taken place. One would be motivated to do this possibly for tax purposes in a given year, perhaps to claim the deduction in one year, but then setting conditions for the actual liquidation of the asset by the receiving entity if the donor feels there is more value in holding the asset for a specified period of time. In this way both the donor and receiving entity benefit.

Re Claim 22: Keating in view of CGF discloses the claimed method supra and while not explicitly disclosing wherein the tax deduction value is selectable using the asset price at the time of the desired transfer or the average of the asset's high price and the asset's low price for the day, these methods for evaluating a tax deduction regarding an asset were notoriously well known in the art. One would be motivated to select one of these methods because they are established methods and would provide the donor with the best possible tax benefit.

Re Claim 23: Further computer system claim would have been obvious to perform the steps of previously rejected method claims, specifically claims 10 and 14, and is therefore rejected using the same art and rationale.

Re Claim 24: Keating in view or CGF discloses the claimed system supra and while not explicitly disclosing the step wherein a single or multiple assets may be selected and transferred using a single computer interface action, this step was well known in the art using common online financial transaction interfaces such as E-Trade and therefore would have been obvious to implement into a similar online charitable donor system.

Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Keating in view of CGF and further in view of The Fidelity Charitable Gift Fund Program Circular (hereinafter Fidelity found via the WayBack Machine http://web.archive.org/web/20000123054942/www301charitablegift.org/establish/index, 12/22/1999, specifically note the link at the top of the page to the PDF document)

Re Claim 6: Keating in view of CGF discloses the claimed method supra but does not explicitly disclose the steps of enabling the donor to specify in terms of a dollar amount to transfer to the receiving entity; and automatically selecting assets from the subject donor investment portfolio such that the current dollar value of the selected assets is substantially the same as the donor specified dollar amount to transfer.

Fidelity outlines the Fidelity Charitable Gift Fund, which is a donor advised fund. Under the grant making portion of this document, it is disclosed that the donor can

specify a dollar amount to transfer to the receiving entity and the system automatically selects assets from the subject donor investment portfolio such that the current value of the selected assets is substantially the same as the donor specified dollar amount to transfer (pgs 8-9)

It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teachings of Fidelity to the disclosure of Keating in view of CGF because this is essentially the function of a donor advised fund. The donor would like some control of the donations made to the receiving entities without the hassle of performing the transfer himself. The donor then only has to concern himself with the amount to donate as opposed to where said amount is to be drawn from and can therefore save time and effort in the process.

Claims 25-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Keating in view of CGF as applied to claim 1 above, and further in view of "America's Charities Selects DonorNet as Exclusive E-Commerce Provider." (Hereinafter Editors, Business Editors. Business Wire. New York: Jun 1, 1999. pg.1).

Re Claim 25: Keating in view of CGF discloses the claimed method supra but does not explicitly disclose the steps of

- Identifying a proxy organization having a relationship to the receiving entity allowing the proxy organization to receive an asset transfer on behalf of the receiving entity

- Representing the proxy organization to the donor such that the donor may not be aware that the proxy organization is receiving the donor selected assets on behalf of the receiving entity;
- Receiving each donor selected asset transferred from the subject donor investment portfolio to the proxy organization
- For each donor selected asset electronically transferring from the proxy organization to the receiving entity either the asset or cash proceeds form the sale of the asset by the proxy organization and;
- Issuing to the donor a tax receipt for each user-selected asset transferred in the name of the receiving entity.

Editors is an article disclosing DonorNet, a company that provides online solutions to charities, thus enhancing the charities abilities to interact with donors. DonorNet, in this instance represents a proxy organization that performs the steps as claimed, including online and donation pledge processing. It would have been obvious to anyone skilled in the ordinary art at the time of invention to include the features of Editors to the disclosure of Keating in view of CGF so that charities do not have to develop or maintain a complex system for online donations, but can simply outsource these capabilities to proxy organizations like DonorNet and simply inherit the ultimate donation as cash.

Re Claim 26: The Keating / CGF / Editors combination discloses the claimed method supra and while not explicitly disclosing the step wherein the proxy organization guarantees that the received asset or the cash proceeds from the sale of the asset will

always be transferred to the receiving entity, this would be obvious to anyone skilled in the ordinary art because it is good business practice. If the donor and receiving entity cannot be assured that the proxy organization will complete the desired transaction, then they would not use the system. They would find other means to make the transaction in order to guarantee that the proceeds reach the intended destination because that is ultimately the goal of the transaction.

Claims 27-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merrell ("Tip of the Week: Give to Charity, not to the Taxman." The Guardian (pre-1997 Fulltext). Manchester (UK): Sep 10, 1995, pg. 10).

Re Claim 27: Merrell discloses the use of accounts through the Charities Aid Foundation, within which a client would obtain a special debit card, the charity card or through checks supplied in books distributed with the accounts. The debit card and checks are linked to a funded account from which charitable donations can be made. Money from the account can be distributed to whichever charities the client chooses. While not explicitly disclosing that the steps are computer implemented, automating a known process was well within the skill of ordinary art at the time of invention and would have been obvious to be more efficient.

Re Claim 28: Merrell discloses the claimed method supra and while not disclosing the step of providing the charity check with a specified value on the check as a predefined amount, this step was well within the level of ordinary skill in the art and would have been obvious for someone who, for instance, donates a specified amount

every month but perhaps to a different charity. Checks with predefined amounts would be more efficient in that the donor would then only have to specify a particular charity each month.

Re Claim 29: Merrell discloses the claimed method supra and while not explicitly disclosing where the charity check further comprises specifying a value of the charity check, specifying a unique identifier, specifying the donor account number such that the check can be redeemed by supplying the value, unique identifier and donor account number over a communications medium, this step would have been obvious because this same method was used commonly for normal checks linked to a checking account. All checks have a unique identifier and an account number and a value can be specified for any particular check. It was common for people to pay using checks over a medium such as the telephone, wherein they would provide the appropriate information including, amount, account number and identifier from the paper check to the receiving entity for processing. This is a process used frequently for bill paying and would be obvious for any type of check to allow for instant processing as opposed to having to send the physical check through the mail, which could take days to process.

Re Claim 30: Merrell discloses the claimed method supra and while not explicitly disclosing wherein the charity check specifies a certain charity before issuance of the charity check to the donor, this step would have been obvious to anyone skilled in the ordinary art. Many organizations have been known to issue checks with a predefined recipient in hopes this will elicit donations from the individual. Furthermore, this would be advantageous to a donor who only gives to a specific charity but may donate multiple

times through a month or year. If the recipient is known ahead of time, then the user would simply fill out the amount he wishes to donate, therefore saving time and effort.

Re Claim 31: Merrell discloses the claimed method supra and further discloses wherein the charity check is in the form of a financial debit card.

Claims 32-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Anonymous ("How to Give More for Less." Management Today. London: Aug 1998. pg 76, 2 pgs).

Re Claim 32: Anonymous discloses a method for workplace charitable gift giving comprising the steps of

- Providing an employer benefits system that utilizes pretax employee income means to define one or more charitable gifts from employee waived income to be donated on behalf of the employee; and
- Using the charitable gifts defined in the employer benefits system, transferring pre-tax corresponding amounts of the employee waived income as gifts to at least one charity such that tax efficient transfers of employee compensation to each charity result

The article does not explicitly disclose the step wherein the method is implemented in a computer system and wherein the transferring of money is done electronically, however automating a known process is within the level of ordinary skill in the art and furthermore many types of financial transactions and payroll deductions were processed electronically on a computer system at the time of invention. It would

have therefore been obvious to use a computer system as it was much more efficient than older traditional methods and offers an easier and more efficient way to transfer funds.

Re Claim 33: Anonymous discloses the claimed method supra and while not explicitly disclosing the step of providing an employer benefits system includes establishing an agreement whereby the employer provides a bonus to the employee, the employee is able to decline, in whole or in part, the provided bonus and the employee makes recommendations of the charity to which the declined portion of the bonus is to be donated and the step of transferring includes evaluating the recommendation of the employee, bonus are still subject to taxes should they be redeemed by an employee. The bonus is therefore part of gross pay which, as disclosed by Anonymous, can be donated free of tax for charitable purposes. An employee would be well within his rights to donate (in a way decline) the bonus tax free to a charity.

Re Claim 34: Anonymous discloses the claimed method supra and further discloses the steps of transferring into a pre-tax flexible spending account the corresponding amounts of employee waived income defining charitable gifts. Anonymous does not explicitly disclose having a predetermined receiving entity wherein monies paid into the pretax flexible spending account have a restriction that at the end of a specific financial period any remaining balance in the flexible spending account is transferred to the predetermined receiving entity, including a charity. However, this step is widely used by employers as a way to clear liabilities after a certain period. Once the

employee has decided to move money into the flex-spending account, the employer has a liability to pay the receiving entity up to the balance of the account should the employee initiate the action. Employers do not like to carry liabilities on their books and often time issue use or lose initiatives for certain liabilities such as annual leave. An employer would be motivated to issue this use or lose (in this case losing the option of determining where the funds are distributed) in order to prevent carrying a liability over a long period of time, thus affecting their financial records.

Re Claim 35: Anonymous discloses the claimed method supra and further discloses the step wherein the monies are periodically placed in pre-tax charity accounts by the employer and made available to the employee to give to charity.

Claims 36-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Drache ("Hedge Fund Gift Sparks Furor: North Star Investors' Offers Sends Charities Looking Advice," National Post. Don Mills, Ont.: Dec 7, 1998. pg C.8).

Re Claim 36: Drache discloses a method for transferring assets as gifts from a donor to a receiving entity comprising the steps of identifying the amount of unrealized gain allocated to an owner of units from a limited partnership, the limited partnership including a hedge fund; withdrawing an amount of money allocated to the owner that is over and above the value of the identified amount of unrealized gain said withdrawing resulting in remaining units and transferring as a gift at least part of the remaining units that represent the owner's unrealized gain to a receiving entity the receiving entity including a charity.

The article does not explicitly disclose the step wherein the method is implemented in a computer system and wherein the transferring of money is done electronically, however automating a known process is within the level of ordinary skill in the art and furthermore many types of financial transactions and payroll deductions were processed electronically on a computer system at the time of invention. It would have therefore been obvious to use a computer system as it was much more efficient than older traditional methods and offers an easier and more efficient way to transfer funds.

Re Claim 37: Drache discloses the claimed method supra and further discloses wherein the owner uses at least a part of the money initially withdrawn from the limited partnership to purchase new units of the limited partnership.

Claims 38-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Halverson ("Make gifts grow before the go to charity." Christian Science Monitor. Boston, Mass.: Dec 6, 1999. pg. 20.)

Re Claim 38: Halverson discloses a method comprising the steps of:

- Declining receipt, by an owner of at least a portion of a unitized fund distribution, the distribution being taxable;
- Using the declined portion to form a tax efficient gift from the owner as a donor to a charity by;
- Specifying a receiving entity to receive the gift formed from the declined portion of the unitized fund distribution and

- Delivering the declined portion of the unitized fund distribution to the receiving entity in a tax efficient manner.

The article does not explicitly disclose the step wherein the method is implemented in a computer system and wherein the transferring of money is done electronically, however automating a known process is within the level of ordinary skill in the art and furthermore many types of financial transactions and payroll deductions were processed electronically on a computer system at the time of invention. It would have therefore been obvious to use a computer system as it was much more efficient than older traditional methods and offers an easier and more efficient way to transfer funds.

Re Claim 39: Halverson discloses the claimed method supra and while not explicitly disclosing the step of repurchasing a number of units in the unitized fund substantially equal to the declined portion of the unitized fund distribution, as admitted by applicant on page 6 of the disclosure, it was well known in the art at the time of invention to repurchase a substantially similar asset immediately upon transferring the donor-selected asset to the receiving entity.

Re Claim 40: Halverson discloses the claimed method supra and while not explicitly disclosing the step wherein the unitized fund is managed according to a predetermined guideline to generate at a predictable percentage the unitized fund distribution each year, placing a manager in charge of a mutual fund to perform this step was notoriously well known in the art at the time of invention and would have been

obvious to anyone skilled in the art wishing to gain benefit from a mutual fund investment.

Response to Arguments

Applicant's arguments with respect to claims 1-40 have been considered but are moot in view of the new ground(s) of rejection.

Examiner has laid out his rejections according to a number of references, but would specifically point applicant toward the Fidelity Charitable Gift Fund, the same one that was referenced numerous times throughout this rejection and in the applicants Information Disclosure Statement filed on 7/30/2001. The examiner has determined that the Charitable Gift Fund was established in 1999, predating applicant's priority date and provides substantially the same services and methods of applicant's disclosure. Examiners invites the applicant to further review the Fidelity Charitable Gift Fund and provide differences, if any, between the system and method of that fund and the present invention.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

***

HYUNG SOUGH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600